

AR2220

# State of Arkansas

## UNDERPAYMENT OF ESTIMATED TAX BY CORPORATIONS

CORPORATION

FEIN

**PART 1. DETERMINING TAX AMOUNT REQUIRED TO BE ESTIMATED**

1. Tax Liability for Year Ending: ____/____/____: (Enter amount from appropriate line on Arkansas return) .....	00	
<i>(If Line 1 is \$250 or less, you are not subject to an underestimate penalty.)</i>		
2. (a) 90% of Line 1: .....	00	
(b) Prior Year Tax Liability: (Enter amount from appropriate line on prior year Arkansas return).....	00	
3. Enter Lesser of 2(a) or 2(b): .....	00	
4. Total Estimated Tax Paid: (Including estimate carryforward from prior year). .....	00	

*(If Line 4 is equal to or greater than Line 3 you are not subject to an underestimate penalty, **provided** the correct amount of estimated tax payments, as calculated on Line 5, were timely filed and paid.)*

**PART 2. COMPUTATION OF UNDERESTIMATED PENALTY**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
5. Enter Required Estimated Income Tax Due per Quarter: (Line 3 ÷ 4 Quarters) or (Enter Amount from Line 20, AR2220A.).....	00	00	00	00
6. Enter Estimated Income Tax Paid per Quarter: (including Estimated Carryforward from prior year). .....	00	00	00	00
7. Enter Applicable Dollar amount subject to penalty on following Lines:				
(a) Enter amount underpaid and <b>not</b> included in subsequent quarter:.....	00	00	00	00
(b) 1. Enter amount overpaid in 1st quarter to be applied to subsequent quarter:.....	00	00	00	00
2. Enter amount overpaid in 2nd quarter to be applied to prior or subsequent quarter:.....	00	00	00	00
3. Enter amount overpaid in 3rd quarter to be applied to prior or subsequent quarter:.....	00	00	00	00
4. Enter amount overpaid in 4th quarter to be applied to prior quarter:.....	00	00	00	00
(c) Enter amount underpaid but Estimated Return (Voucher) filed and tax paid prior to next quarter due date or Income Tax Return due date: .....	00	00	00	00
8. Date Returns Due/Filed:				
(a) Enter original due date of Income Tax Return:.....				
(b) Enter date Income Tax Return filed:.....				
(c) Enter due date of Estimated Tax Return (Voucher): .....				
(d) Enter date Estimated Tax Return (Voucher) filed and tax paid:.....				
(e) 1. Enter date 1st quarter Estimated Tax Return (Voucher) filed and tax paid with a payment to be applied to subsequent quarter:.....				
2. Enter date 2nd quarter Estimated Tax Return (Voucher) filed and tax paid with a payment to be applied to prior or subsequent quarter:.....				
3. Enter date 3rd quarter Estimated Tax Return (Voucher) filed and tax paid with a payment to be applied to prior or subsequent quarter:.....				
4. Enter date 4th quarter Estimated Tax Return (Voucher) filed and tax paid with a payment to be applied to prior quarter:.....				

**State of Arkansas**  
**UNDERPAYMENT OF ESTIMATED TAX BY CORPORATIONS**  
**Continued**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
9. Enter Applicable Number of Days on the following Lines:				
(a) For amount entered on Line 7(a), enter number of days between Lines 8(a) and 8(c) or between Lines 8(b) and 8(c):.....	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
(b) 1. For amount entered on Line 7(b)(1), enter the number of days between Lines 8(c) and 8(e)(1):.....	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
2. For amount entered on Line 7(b)(2), enter the number of days between Lines 8(c) and 8(e)(2):.....	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
3. For amount entered on Line 7(b)(3), enter number of days between Lines 8(c) and 8(e)(3):.....	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
4. For amount entered on Line 7(b)(4), enter number of days between Lines 8(c) and 8(e)(4):.....	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
(c) For amount entered on Line 7(c), enter number of days between Lines 8(c) and 8(d):.....	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
10. Penalty Amount:				
(a) Enter product of Line 7(a) X Line 9(a) X .00027397:....	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00
(b) 1. Enter product of Line 7(b)(1) X Line 9(b)(1) X .00027397: .....	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00
2. Enter product of Line 7(b)(2) X Line 9(b)(2) X .00027397: .....	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00
3. Enter product of Line 7(b)(3) X Line 9(b)(3) X .00027397: .....	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00
4. Enter product of Line 7(b)(4) X Line 9(b)(4) X .00027397: .....	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00
(c) Enter product of Line 7(c) X Line 9(c) X .00027397:.....	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00
(d) Total penalty per quarter: [Add 10(a) through 10(c)] .....	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00	<input style="width: 100%;" type="text"/> .00
(e) Total penalty amount: (Add total amount listed on Line 10(d) for each quarter.) .....				<input style="width: 100%;" type="text"/> .00

**PART 3. IF YOU ARE CLAIMING ONE OF THE EXCEPTIONS LISTED BELOW, CHECK THE CORRESPONDING LETTER BOX AND ENTER THAT LETTER IN THE BOX PROVIDED ON LINE 44 OF FORM AR1100CT.**

**Exceptions**

- ☐ (a) No penalty shall be imposed for a tax year if the tax shown on the return for such tax year is \$250.00 or less.

☐ (b) Taxpayers whose income from farming for the income year can reasonably be expected to amount to at least two thirds (2/3) of the total gross income from all sources for the income year, may file such declaration and pay the estimated tax on or before the fifteenth (15th) day of the second (2nd) month after the close of the income year, or in lieu of filing any declaration, may file an income tax return and pay the tax on or before the fifteenth (15th) day of the third (3rd) month after the close of the income year.

☐ (c) The penalty herein provided shall not be applicable where the original amount of estimated tax is the same amount shown to be due by the return of the taxpayer for the preceding income year where such return showing a liability for tax was filed by the taxpayer for the preceding income year of twelve (12) months.

☐ (d) In lieu of filing the fourth (4th) quarter installment the taxpayer may file an income tax return and pay the tax on or before January 31st or on the last day of the first month after the close of the income year.

☐ (e) No penalty shall be imposed for a tax year if:

  - (1) the preceding tax year was a tax year of 12 months, and
  - (2) the taxpayer did not have a tax liability for the preceding tax year, and,
  - (3) the taxpayer was a resident of Arkansas throughout the preceding tax year.

☐ (f) No penalty shall be imposed with respect to any underpayment to the extent that the Commissioner of Revenue determines that by reasons of casualty, disaster, or other unusual circumstances the imposition of such penalty would be against equity and good conscience.

☐ (g) No penalty shall be imposed with respect to any underestimate or underpayment if the Commissioner determines that:

  - (1) the taxpayer
    - (i) retired after having attained age 62, or
    - (ii) became disabled, in the tax year for which such estimated payments were required to be made or in the tax year preceding such tax year, and,
  - (2) such underpayment was due to reasonable cause and not to willful neglect.

**Attach Completed Form AR2220A If Computing Penalty on Annualized Basis**

# INSTRUCTIONS FOR FORM AR2220

## UNDERPAYMENT OF ESTIMATED TAX BY CORPORATIONS

### PART 1

- Line 1. Enter current year tax liability. If this is \$250.00 or less, you are not subject to an Underestimate Penalty.
- Line 2. (a) Enter 90% of the dollar amount entered on line 1.  
(b) Enter amount of prior year tax liability.
- Line 3. Enter lesser of 2(a) or 2(b).
- Line 4. Enter amount of total estimated tax paid. Include estimated tax carry-forward from prior year, but do not include any amount(s) paid with extension (Voucher 5). If Line 4 is equal to or greater than Line 3, you are not subject to an underestimate penalty **provided** the correct amount of estimates were timely filed and paid.

### PART 2

- Line 5. Enter amount on Line 3 above divided equally among the four quarters.
- Line 6. Enter actual amount of money paid with each Quarterly Voucher. Include any Estimated Tax carryforward from prior year on voucher 1. **(EXAMPLE** - Enter dollar amount, including credit carryforward, paid with Voucher 1.)
- Line 7. Enter amounts subject to Underpayment of Estimated Tax Penalty on the following lines as applicable:
- (a) In the appropriate quarter(s), enter amount **underpaid** and not included in a subsequent quarter.
  - (b) 1. In the appropriate quarter(s), enter amount **overpaid** in the 1st quarter that is to be applied to subsequent quarter(s). The overpayment should be applied first to the second quarter, then in succession to the third and fourth quarters as needed.
  2. In the appropriate quarter(s), enter amount **overpaid** in the 2nd quarter that is to be applied to prior or subsequent quarter(s). The overpayment should be applied first to the oldest quarter with an underpayment, then any excess carried forward to each succeeding quarter with an underpayment.
  3. In the appropriate quarter(s), enter amount **overpaid** in the 3rd quarter that is to be applied to prior or subsequent quarter(s). The overpayment should be applied first to the oldest quarter with an underpayment, then any excess carried forward to each succeeding quarter with an underpayment.
  4. In the appropriate quarter(s), enter amount **overpaid** in the 4th quarter that is to be applied to prior quarter(s). The overpayment should be applied first to the oldest quarter with an underpayment, then any excess carried forward to each succeeding quarter with an underpayment.
  - (c) In the appropriate quarter(s), enter amount **underpaid**, but Estimated Tax Return (Voucher) filed and paid before the next quarter due date or Income Tax Return original due date.

**(EXAMPLE** - Voucher 1 was due 5/15 but was not paid until 6/10, Voucher 2 is due 6/15. You must enter the amount actually paid on 6/10 in the 1st Quarter column on line 7(c).)

- Line 8. Date Return Due/Filed:
- (a) Enter Income Tax Return original due date. This date will be listed in each quarter. The Income Tax Return is due four and one-half months after the close of the tax year. The original due date for calendar year filers is May 15.
  - (b) Enter the actual date the Income Tax Return was filed. This date will be listed in each quarter.
  - (c) Enter the original due date of each Estimated Tax Return (Voucher) for each quarter. The original due dates are printed on the back of vouchers 1, 2 and 3.
  - (d) Enter the actual date each Estimated Tax Return (Voucher) was filed and tax paid for each quarter. To be considered properly filed the tax payment must accompany the Estimated Return (Voucher).
  - (e) 1. Enter the date the 1st quarter Estimated Tax Return (Voucher) was filed with a tax overpayment that is to be applied to a subsequent quarter(s).
  2. Enter the date the 2nd quarter Estimated Tax Return (Voucher) was filed with a tax overpayment that is to be applied to a prior or subsequent quarter(s).
  3. Enter the date the 3rd quarter Estimated Tax Return (Voucher) was filed with a tax overpayment that is to be applied to a prior or subsequent quarter(s).
  4. Enter the date the 4th quarter Estimated Tax Return (Voucher) was filed with a tax overpayment that is to be applied to a prior quarter(s).
- Line 9. Enter the number of days for each underpayment of estimated tax shown on the applicable line in section 7:
- (a) If an amount was entered on Line 7(a), calculate the number of days between Lines 8(a) and 8(c) or between 8(b) and 8(c), according to whichever date applies. Use dates listed on lines 8(a) and 8(c) if income tax return filed on or after the original income tax return due date. Use 8(b) and 8(c) if income tax return filed prior to the original income tax return due date.
  - (b) 1. If an amount was entered on Line 7(b)(1), calculate the number of days between 8(c) and 8(e)(1).
  2. If an amount was entered on Line 7(b)(2), calculate the number of days between 8(c) and 8(e)(2).
  3. If an amount was entered on Line 7(b)(3), calculate the number of days between 8(c) and 8(e)(3).
  4. If an amount was entered on Line 7(b)(4), calculate the number of days between 8(c) and 8(e)(4).
  - (c) If an amount was entered on Line 7(c), enter number of days between Line 8(c) and 8(d).

# INSTRUCTIONS FOR FORM AR2220

## UNDERPAYMENT OF ESTIMATED TAX BY CORPORATIONS CONTINUED

Line 10. Calculation of underpayment of estimated tax penalty.

- (a) Enter product of Line 7(a) X Line 9(a) X .00027397.
- (b)
  - 1. Enter product of Line 7(b)(1) X Line 9(b)(1) X .00027397.
  - 2. Enter product of Line 7(b)(2) X Line 9(b)(2) X .00027397.
  - 3. Enter product of Line 7(b)(3) X Line 9(b)(3) X .00027397.
  - 4. Enter product of Line 7(b)(4) X Line 9(b)(4) X .00027397.
- (c) Enter product of Line 7(c) X Line 9(c) X .00027397.
- (d) Total Penalty per quarter -- add 10(a) through 10(c).
- (e) Total Penalty -- add total amount shown on Line 10(d) for each quarter.

### PART 3

If one of the exceptions listed in Part 3 of Form AR2220 applies to you, it is not necessary to complete Form AR2220 **provided** the appropriate alpha character identifying your exception is listed in the block on Line 44, Form AR1100CT.